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DE RUEHVN #0052/01 0220642
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FM AMEMBASSY VIENTIANE
TO RUEHC/SECSTATE WASHDC 0797
INFO RUCNASE/ASEAN MEMBER COLLECTIVE
RUEHBJ/AMEMBASSY BEIJING 2082
RUEHBY/AMEMBASSY CANBERRA 0964
RUEHNE/AMEMBASSY NEW DELHI 0132
RUEHUL/AMEMBASSY SEOUL 0538
RUEHKO/AMEMBASSY TOKYO 1130
RUEHWL/AMEMBASSY WELLINGTON 0095
RHHMUNA/CDR USPACOM HONOLULU HI

C O N F I D E N T I A L SECTION 01 OF 03 VIENTIANE 000052

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E.O. 12958: DECL: 01/21/2017

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SUBJECT: LAO VIEWS ON ASEAN'S CEBU SUMMITS

REF: A. MANILA 0179

[1](#)B. STATE 06177

Classified By: AMBASSADOR PATRICIA M. HASLACH FOR REASONS 1.4 (B) AND (D)

[1](#)1. (SBU) Summary: MFA ASEAN Department Deputy Director General Songkane told P/E Chief the main Lao priorities at the recent ASEAN Summits in Cebu were to reinforce support for a proposed rail extension into Laos and for Lao hydropower projects. He welcomed a proposed third bridge across the Mekong River and admitted Laos needed help in developing its information technology. Songkane saw an agreement for increased trade in services with China as leading to more tourism revenue for Laos. While he deemed an ASEAN Declaration on migrant worker protection helpful, he noted Laos has also worked bilaterally with Thailand on these issues. Songkane admitted, cautiously, that Burma could make more progress toward a constitution. He said Deputy Foreign Minister Bounkeut would lead the Lao team to the ASEAN Charter task force which would begin meeting in February. End Summary.

[1](#)2. (U) P/E Chief met January 18 with MFA ASEAN Department Deputy Director General Songkane Luangmuninthon to deliver USG-proposed Economic Agenda for ASEAN-U.S. Enhanced Partnership Plan of Action (ref B). DDG Songkane was accompanied by MFA ASEAN Department External Relations Division officers Thongmoon Phongphailath and Viengoudom Chanthavong. They promised a response with comments by January 23 as requested.

[1](#)3. (U) P/E Chief also asked DDG Songkane for his views on the series of summit meetings held by ASEAN at Cebu in the Philippines in mid-January. These included the ASEAN Summit, the ASEAN 3 (adding China, Japan, and the ROK), and the East Asia Summit (adding Australia, New Zealand, and India to the previous group).

A Rail Link

[1](#)4. (SBU) Songkane pointed to the ASEAN cooperation on preparations during the year before these summits as assuring that Laos was comfortable with the issues being discussed. The key focus for the Government of Laos (GOL) in Cebu was assuring that everyone involved understood the GOL's needs as Laos evolved from "land-locked" to "land-linked."

15. (SBU) Specifically, the GOL wanted to push support for an extension of the proposed Kunming (China)-Singapore rail system to Laos -- extending the current plan for a branch to Vietnam to reach southern Laos. Songkane said ASEAN supports the extension, and now the question is financial support for which Laos is looking to China, the ROK, and Japan. Apparently GOL officials are sufficiently comfortable with progress on this issue that Songkane was able to say the next step is for the Lao Ministry of Communications, Transport, Post, and Construction to begin to push these three countries for specific financial commitments.

Energy

16. (SBU) Songkane reviewed the great potential for hydropower in Laos and the GOL's push to be a source country for energy -- especially in this period of unstable oil supplies and prices. Thus an important objective for Laos was to have the Cebu meetings reaffirm the principle of a strong role for hydropower in ASEAN planning. Songkane was particularly pleased that energy was highlighted in the Chairman's Statements of all three summits: with a reference to the ASEAN power grid by the ASEAN Summit, a specific point on energy security and renewable sources of energy by the ASEAN 3 group, and an entire section of the East Asia Summit statement on energy.

17. (SBU) The East Asia Summit group also signed a Cebu Declaration on East Asian Energy Security which calls for increased reliance on hydropower as one of the ways to reduce dependence on fossil fuels. Of course, Songkane noted, financing new dams is expensive, and Laos pressed other ASEAN Members and the Dialogue Partners for their support. (He

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noted that Russia also has a growing role in hydropower development in Laos.)

Other GOL Priorities: Another Bridge; IT

18. (SBU) Narrowing the development gap between older ASEAN Members and the newer countries like Laos has been another priority for the GOL. GOL officials see this as happening via the Initiative For ASEAN Integration and more human resources development. Still, Songkane opined, Laos has to have better infrastructure, including more transportation sector development to achieve the desired "land-linked" status, so that human resource capacity building can take place. He particularly welcomed China's decision to finance 50% of a third bridge across the Mekong River (Laos' Bokeo Province to Chiangrai Province in Thailand).

19. (SBU) Songkane also highlighted the need to develop Laos' information technology infrastructure. He noted that the ROK and India are playing important roles in this sector.

Trade In Services

10. (SBU) The ASEAN Secretariat issued a statement on the signing of an ASEAN-China Agreement on Trade In Services. This agreement is designed to increase trade as well as investments in service sectors including business services (computer-related, real estate, market research, management consulting); construction and engineering; tourism and travel; transport and education; telecommunications; health and social services; recreation, cultural, and sporting services; environment; and energy. Songkane said Laos needs investments in all areas. He noted however that tourism is the sector most likely to receive a boost from this agreement, presumably from an increased flow of tourists from China to Laos.

Migrant Workers

11. (SBU) When asked about the ASEAN Declaration on the Protection and Promotion of the Rights of Migrant Workers,

Songkane said humane treatment for migrant workers is a major problem which requires the cooperation of both sending and receiving countries to resolve. He thought the Declaration would help migrants to be able to live more humanely since each ASEAN Member had committed to improve the rights for migrant laborers. However, he noted that financial resources and education would be necessary for countries to meet this commitment. Referring specifically to Lao migrant workers in Thailand, Songkane pointed out their situation was different, for example, from household workers in Singapore who have suffered abuse reported in the media. Nevertheless Lao workers do face some problems which the GOL tries to resolve both within an ASEAN framework and bilaterally.

New ASEAN Charter Task Force

¶12. (SBU) The media picked up a report of the recommendations of an Eminent Persons Group (EPG) regarding a new charter for ASEAN, including the possibility of expulsion for ASEAN Members violating the group's rules on either trade or human right. Songkane said the EPG's proposals would now be reviewed by a high-level task force. The Lao task force team would be led by Deputy Foreign Minister Bounkeut Sangsomsack and include 4-5 other officials. Songkane expected the task force to start meeting in February so the new charter will be ready for approval at the next ASEAN Summit, scheduled for November/December 2007 in Singapore.

Burma

¶13. (SBU) P/E Chief and Songkane sparred over the GOL's close alignment with the Burmese government. When asked about the ASEAN Summit Chair's statement, which said the group "called for the release of those placed under detention and for effective dialogue with all parties concerned," Songkane said the group basically would like more information from Burmese authorities. In his personal view, the Burmese government's plan to develop a constitution through a national convention process was the correct approach, although he admitted more progress could be made.

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Comment

¶14. (C) Clearly the GOL had very practical priorities at Cebu -- pushing financial support for its long-desired rail link and its role as an energy source for the region. Lao officials were also prepared to look at broad areas of agreement also in very practical terms: the ASEAN-China Trade in Services Agreement would likely mean more Chinese tourists in Luang Prabang (or in the casinos in northern Laos). Unfortunately apparently missing from the list of priorities the Lao officials had developed for Cebu were issues of potential concern to a really responsible member of ASEAN -- such as counter-terrorism cooperation. When asked about press reports of the EPG's recommendations that an ASEAN Charter allow expulsion of members, Songkane responded by citing the upcoming ASEAN Task Force as if to say that particularly dramatic proposals would be bought under control before the final draft is ready to be delivered to the Singapore Summit at the end of the year.

HASLACH